

# OFFICE OF FINANCIAL INSTITUTIONS

## OFI BULLETIN

BL-04-2003  
August 6, 2003

TO: THE CHIEF EXECUTIVE OFFICER/MANAGER

SUBJECT: POLITICAL CONTRIBUTIONS BY STATE-CHARTERED FINANCIAL INSTITUTIONS

With the forthcoming gubernatorial, legislative and local elections on the near horizon, this office has been requested to provide guidance with respect to the authority of state-chartered financial institutions to make political contributions to candidates. Louisiana law provides that it is appropriate for state-chartered financial institutions to make political contributions to candidates in state elections under the auspices of the Campaign Finance Disclosure Act, Title 18, Section 1481, et seq. This act provides that a state-chartered financial institution may make a political contribution in the same manner as a commercial corporation, up to certain set amounts, depending upon the nature of the election, i.e., state-wide, district-wide, or local, under the following guidelines:

1. The political contribution must be approved by resolution of the board of directors in accordance with the articles of incorporation and/or bylaws of the financial institution.
2. The board of directors must specifically authorize the president, vice president, secretary, or treasurer of the financial institution to make such a contribution.
3. The political contribution may be made as either an "in-kind" contribution or expenditure or in the form of a check. No contributions may be made in cash.

It is also the position of this office that a state-chartered financial institution may make a loan of money to a political candidate when made in accordance with applicable banking laws and in the ordinary course of business.

The statute controlling the political contributions of national banks is 2 USC 441b(b)(2) and an explanation of their authority may be found in OCC Bulletin, OCC 2000-8, dated March 22, 2000.

Although this office has determined that political contributions appear to be authorized for state-chartered financial institutions, you are urged to contact your legal counsel and have him/her review the provisions of the Campaign Finance Disclosure Act prior to making contributions to determine that your institution is in full compliance with its provisions.

This bulletin will also be posted on OFI's website [www.ofi.state.la.us](http://www.ofi.state.la.us). If you have any questions, please contact me directly.

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